



FINANCE DEPARTMENT  
INTEGRITY FIRST

March 10, 2020

Joint Legislative Committee on Local Government  
North Carolina General Assembly  
Legislative Building  
16 West Jones Street  
Raleigh, North Carolina 27601  
Attention: Committee Chairs and Committee Assistant

Fiscal Research Division  
North Carolina General Assembly  
Legislative Office Building  
300 North Salisbury Street, Suite 619  
Raleigh, North Carolina 27603-5925

Re: Financing of 2020 Natural Gas Expansion Project by the City of Lexington, North Carolina

Ladies and Gentlemen:

In accordance with Section 120-157.2(a) of the General Statutes of North Carolina, as amended, the City of Lexington, North Carolina (the "City") hereby notifies you of its intent to enter into an installment financing agreement (the "Agreement") pursuant to Section 160A-20 of the General Statutes of North Carolina in the principal amount of approximately \$2,196,000 to finance the 2020 Natural Gas Expansion Project, primarily consisting of the expansion of the natural gas system into the Churchland Community (the "Project"). The cost of the Project totals approximately \$2,196,000. The obligations of the City under the Agreement will be secured by a deed of trust or other security interest on all or a portion of the natural gas lines constructed under the Project.

It is expected that the Agreement will have a term of approximately 15 years. The financial institution to provide the financing pursuant to the Agreement will be selected pursuant to a request for proposals, at which time the interest rate(s) shall be determined for the Agreement. The City expects to accept the proposal of the winning bidder on March 23, 2020, obtain the approval of the North Carolina Local Government Commission on May 5, 2020 and close the financing by May 22, 2020.

If you have any questions or require any further information, please do not hesitate to contact me.

CITY OF LEXINGTON, NORTH CAROLINA

By: \_\_\_\_\_  
Finance Director

cc: Local Government Commission